

BLUE SHIELD OF CALIFORNIA'S WELLNESS INITIATIVE PROPOSAL

DESCRIPTION

Blue Shield recommends a Wellness Initiative to benefit CalPERS members with "four key components":

- "biometric screening" such as cholesterol, glucose, blood pressure, and body mass index;
- "health coaching";
- "Independent Practice Association (IPA) physician outreach"; and,
- "on-site workplace wellness centers."

The initiative would be "CalPERS-branded, as opposed to being tied to a specific health plan." The components would be implemented as pilot projects, to allow CalPERS to "test and learn" before launching the program to all members. Blue Shield has identified specific steps needed for a proposed implementation date of January 1, 2010.

STAFF ANALYSIS

In general, health promotion and disease prevention programs have been found to benefit employees, employers and health plans as follows:¹

- Employees can experience "improved health and quality of life and increased productivity" and "potential for lowered financial liability."
- Employers can experience "gains in worker performance and productivity" and can "contain healthcare costs."
- Health plans can receive "National Committee on Quality Assurance accreditation" and can "contain healthcare utilization and costs of enrollees."

A 2007 review found "strong evidence" of the effectiveness of worksite programs "in reducing tobacco use among participants (with a median reduction in prevalence rates of 1.5 percentage points), dietary fat consumption as measured by self-report (median reduction in risk prevalence of 5.4 percentage points), high blood pressure (median prevalence risk reduction of 4.5 percentage points), total serum cholesterol levels (median prevalence reduction of 6.6 percentage points), the number of days absent from work because of illness or disability (median reduction of 1.2 days per year), and improvements in other general measures of worker productivity."²

¹ Schult, Tamara M.K. et al. "The future of health promotion/disease prevention programs: the incentives and barriers faced by stakeholders." *Journal of Occupational and Environmental Medicine* 2006 Jun;48(6):541-8.

² Task Force on Community Preventive Services. "Proceedings of the Task Force meeting: worksite reviews." Atlanta: Centers for Disease Control and Prevention, 2007. Summarized in: Goetzel, Ron Z., and Ronald J. Ozminkowski. "The health and cost benefits of work site health-promotion programs." *Annual Review of Public Health* 2008;29:303-323.

The basic concept of the proposed initiative is sound in that:

- Members would receive some baseline health information, provides health education by health coaches, includes their physicians in the process, and provides additional tools in the form of workplace wellness centers.
- Supports CalPERS Strategic Goal XI, "Promote the ability of members and employers to make informed decisions resulting in improved lifestyle choices and health outcomes."
- Consistent with one of the Board's "Key Areas of Focus" as discussed at the July 2008 offsite, "Require health plans to deliver consistent, high-performing health and disease, and Rx management programs...."

Staff has identified concerns with some elements of the initiative as currently proposed. These include the following:

- Implementing a CalPERS-branded Wellness Initiative across all health plans will be complex and challenging. Ensuring that the Wellness Initiative is fully integrated into each plan's systems, such as disease management, utilization management, and nurse advice lines, will be an ongoing concern. Whether administered by CalPERS staff, a third party vendor, or a current health plan partner, a Wellness Initiative across all plans will involve a high level of program and system integration as well as additional resources.
- Most studies examining the value of wellness programs have focused on those sponsored directly by employers.
- Return on Investment (ROI) for wellness programs have not been fully established in scientific literature. Although some review articles have found positive ROI³, as stated in a recently-published review article⁴, "Some researchers point to selection bias as the likely reason for finding cost savings and high ROI estimates in work site studies. In many studies, it is unclear whether program participants are healthier or more highly motivated than nonparticipants to begin with. Such differences in health or motivation may explain why participants use fewer medical care or other services and may continue to do so even if a program was not available." Since CalPERS is a purchaser (not an employer), CalPERS will need to agree on a methodology to calculate ROI, which for wellness programs are usually not realized for three to five years.
- The workplace wellness centers could be controversial in the following ways:
 - Smaller workplaces will not have enough employees to justify a wellness center. Therefore, the premiums of employees in those workplaces would be "subsidizing" the wellness centers located in larger workplaces.

³ Chapman, Larry S. "Meta-evaluation of worksite health promotion economic return studies: 2005 update." *American Journal of Health Promotion* 2005 Jul-Aug;19(6):1-11.

⁴ Goetzel, Ron Z., and Ronald J. Ozminkowski. "The health and cost benefits of work site health-promotion programs." *Annual Review of Public Health* 2008;29:303-323.

- Most state agencies and local agencies have more than one location. A question of fairness may arise in selecting locations for wellness centers.
- There could be issues of liability (e.g., if an employee is injured at a wellness center).
- Agencies may not have space available for the wellness center.
- The financing of the wellness center will be complex, involving either CalPERS paying the costs directly, or plans "splitting the bill."
- A mobile wellness center (e.g., on a bus) may be a more effective way to provide the services envisioned.
- The Blue Shield proposal recommends that the health coaching component continue to be provided on a health plan specific basis due to the concerns of providing information from the Wellness Initiative to each plan's disease management program. This will mean each health plan would need to provide dedicated health coaches for the Wellness Initiative. The health coaches will need to work closely with both the Wellness Initiative and their health plans to ensure the subscriber's health care is seamlessly delivered.
- Blue Shield proposes that CalPERS enter into targeted wellness partnerships with physician groups. While this could work for Blue Shield, both the Kaiser Health Maintenance Organization (HMO) and the Anthem Preferred Provider Organization (PPO) delivery models would not fit this concept as easily.
- The start-up and ongoing costs of Blue Shield's proposals are unknown. The costs would depend on the Wellness Initiative's final design, and how it will be administered. Lacking a realistic cost estimate, the CalPERS Board will find it difficult to make an informed decision about this proposal at this time.
- Blue Shield proposes that the Wellness Initiative be subscriber only in the beginning, which would be appropriate since one of the components of the initiative is workplace wellness centers. To accommodate this, the billing for the Wellness Initiative would need to be per subscriber per month which may not be cost effective for CalPERS. Increased premiums for this initiative would be shared by all subscribers though some of the components of the initiative will only be available as pilot projects in certain geographic areas.
- No cost estimates have been provided. Lacking a cost estimate, the CalPERS Board will find it difficult to make an informed decision about the project.

RECOMMENDATION

Staff will:

- Continue to work with Blue Shield on the details and feasibility of its proposal.
- Evaluate the pros and cons of starting a new initiative versus including some of the concepts of the Blue Shield initiative into the wellness program to be outlined in the upcoming HMO and PPO Request for Proposals (RFPs).
- Consider whether the Blue Shield program should meet the standards of the voluntary Comprehensive Wellness Accreditation program of URAC (formerly the "Utilization Review Accreditation Commission") announced in November

2008.⁵ The URAC requirements for wellness programs relate to organizational structure and function (e.g., presence of a quality management program); health risk assessment; interventions (e.g., use of evidence-based research and practices); integration (e.g., participants' rights and responsibilities); evaluation; and, measurement.⁶

⁵ "URAC announces accreditation standards for Comprehensive Wellness programs." At <http://www.urac.org/press/cmsDocument.aspx?id=617> . Washington, D.C.: URAC, November 19, 2008.

⁶ URAC. "Health management: Comprehensive Wellness Accreditation." At http://www.urac.org/docs/programs/URAC_Wellness_Fact_Sheet.pdf .